

UNITED NATIONS

ECONOMIC
AND
SOCIAL COUNCIL



GENERAL

E/CN.12/781

March 1967

ORIGINAL: ENGLISH

ECONOMIC COMMISSION FOR LATIN AMERICA
Twelfth session
Caracas, Venezuela, 2-13 May 1967

NOTE BY THE SECRETARIAT PRESENTING THE REPORT OF THE
CONSULTATIVE MEETING OF EXPERTS ON UNITED NATIONS
TECHNICAL ASSISTANCE RELATING TO EXPORTS OF
MANUFACTURES AND SEMI-MANUFACTURES
FROM DEVELOPING COUNTRIES
(Geneva, 24-28 October 1966)

A meeting of experts was convened by the Secretary-General of UNCTAD and the Commissioner for Industrial Development of the United Nations late last year in Geneva in order to advise them on the areas in which the United Nations should provide technical assistance to the developing countries in the expansion and promotion of exports of manufactures and semi-manufactures.

The report of the above meeting is made available to ECLA's twelfth session at the request of the former Commissioner for Industrial Development (presently Executive Director of UNIDO). It is reproduced here as a reference document in relation to item 6 of the provisional agenda.

REPORT ON THE MEETING

1. Taking into account the need for increased activities in the field of development and promotion of exports of manufactures and semi-manufactures which has been conveyed by Governments of developing countries to the United Nations Conference on Trade and Development and to the Centre for Industrial Development, the Secretary-General of UNCTAD and the Commissioner for Industrial Development invited a group of ten experts, in their personal capacity, to advise on the areas in which the United Nations should render technical assistance to the developing countries in this field.
2. The purpose of the meeting was, more specifically:
 - (a) to identify areas and approaches to field work in expanding exports of manufactures and semi-manufactures from the developing countries;
 - (b) to outline a set of proposals for action by the Centre for Industrial Development and its successor body, the United Nations Industrial Development Organization, and UNCTAD, in co-operation with the United Nations Development Programme, which could be brought to the attention of Governments and might assist them in the formulation of requests for technical assistance;
 - (c) to suggest what information, studies and documentation are to be developed by UNCTAD and CID (UNIDO) to support their operational activities.
3. The group of experts was selected so as to reflect, within the limits set by the size of the group, the widest possible range of experience in the various fields of activity involved in the expansion of exports, and from the point of view of the requirements of different parts of the world. A representative of the United Nations Development Programme was also invited to participate in the meeting in order to bring the practical experience of the United Nations to bear on the consultations of the group.

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4. The meeting took place in the Palais des Nations, Geneva, in eleven sessions, from 24 to 28 October 1966. The list of participants and the agenda of the meeting are reproduced as Annexes 1 and 2 respectively.

Mr. S. Vohra, Director, Manufactures Division of UNCTAD, and Mr. S. Lurié, Inter-Regional Economic Adviser of CID, made opening statements on behalf of the Secretary-General of UNCTAD and the Commissioner for Industrial Development, respectively. These statements are reproduced as Annexes 3 and 4. Messrs. Vohra and Lurié chaired the meeting alternately.

5. The members of the group had before them an aide-mémoire prepared by UNCTAD and CID in which an outline was given of the main areas in which the United Nations could render technical assistance to the developing countries in the expansion of their exports of manufactures. This outline was submitted to the group for consideration and elaboration, so as to translate it into recommendations and proposals for technical assistance. A summary description of United Nations technical assistance programmes, their scope and mode of action was also submitted. Some of the participants also submitted introductory notes, statements and proposals on various of the subjects discussed later.

6. The meeting adopted the agenda proposed by the Secretariat as a general frame-work. In the course of the initial discussion of the major topics to which the meeting addressed itself one of the participants suggested a more elaborate specification of the various areas of possible technical assistance, grouped by main topics as follows:

- Production
- Quality control
- Packaging
- Export institutions
- Export credit and insurance
- Export information
- Export assistance and government policies
- Marketing efforts and prices
- Transport and shipping

This was adopted by the meeting as a useful guideline for the detailed discussions which followed.

I

7. The Committee considered that promotion of exports of manufactures and semi-manufactures (to which increasing attention is being given by Governments of developing countries within their programmes of industrial development) is a relatively new area as regards the United Nations activities in the field of technical assistance. It felt that a greatly increased and adequate flow of technical assistance resources should be devoted to this area under the United Nations Development Programme to enable Governments to cope effectively with the needs.

8. In the ensuing general discussion of the problems to which it would be necessary and desirable to apply the resources of United Nations technical assistance, the participants emphasized the importance of identifying the most urgent areas in which action should be taken, at the national as well as the regional or even broader level, to expand and diversify the exports of the developing countries. Since such actions would gain greatly in effectiveness by being of a continuous nature, particular emphasis was placed on the need to provide appropriate institutional facilities.

9. The group stressed the importance, in all areas, of the developing countries' own efforts. Outside assistance such as that provided by the United Nations, could be no substitute for these efforts, and could only supplement them. Indeed, it was held that United Nations assistance should aim at encouraging and stimulating such national initiative. Since, ultimately, it would be up to each country itself to assess its own needs, the emphasis of United Nations assistance should always be placed on the training of national personnel, although scope would exist at the same time for assistance from foreign experts.

10. There was consensus in the group that in the field of export development and promotion, priority should be given to the dispatch of study missions which would consult with Governments and other institutions in the developing countries as to their requirements, and advise the requesting countries on the types of technical assistance they can obtain from the United Nations. The aim of such missions should be to assist countries in the development of integrated programmes of action.

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11. The group emphasized the need for a departure from traditional approaches so that efforts could be more closely directed to the changing requirements of industrial development in general. In the years to come, these changes will affect the relationships between the developing and the developed countries, and particularly expansion of exports from the former, within a wider pattern of international trade. In this context it was agreed that there was a need for considerably more direct United Nations initiative since the generation and dissemination of the more general type of information and research required for this purpose could not be expected to result from action undertaken only in response to individual government requests.

12. The view was also expressed that the approach to problems of international trade in general, and in particular to those of exports from the developing countries did not always reflect the needs and changes in present-day realities. It was necessary to put aside existing preconceptions with regard to the type of products in which the developing countries are commonly held to have comparative advantages or disadvantages. Closer examination often shows a picture very different from the conventional views. This becomes particularly apparent in a dynamic context when account is taken of the changing trends and technological advances both in the developed and the developing countries, and the structural changes that can consequently be expected.

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13. In the subsequent point-by-point discussion of the areas in which the United Nations should be active in rendering technical assistance, it was indicated that the developing countries were faced with a serious inadequacy of information on up-to-date methods in a wide range of fields, from technical know-how to marketing methods and managerial skills. The participants considered that the United Nations could perform an important role in filling such a gap since the information required was often not available in sufficient measure from private sources, or if available, at an extremely high cost.

14. A particularly fruitful and necessary area for research by the United Nations was the identification of the potential comparative advantages which are not immediately obvious. Studies should be made of these structural changes and of the modifications in production processes so as to facilitate their full utilization. Such studies, it was held, would help to reduce resistance to deviations from the traditional pattern of the international division of labour, even if in the last resort, other means would have to be found to overcome resistance due to conflicts of interest.

15. It was agreed by the group that in the provision of technical assistance great importance should be attached to procedures and techniques for selecting industries producing manufactures and semi-manufactures with an export potential in order to provide Governments of developing countries with appropriate criteria for decision-making. It was held that developing countries would require United Nations assistance in the initial identification, selection and planning of the appropriate export industries, and in advice on the formulation of overall policies of export promotion. Together with this need, it was also urgently necessary to provide more information in a wide range of areas as an indispensable tool of development programming, policy formulation and decision-making, and as a support for more specific types of technical assistance.

16. In the light of the above, the group expressed the opinion that while the areas and forms in which technical assistance might usefully be rendered depended upon the specific circumstances and requirements of the various countries, the United Nations should act in an advisory capacity to assist Governments to formulate requests for technical assistance.

17. It was considered that special attention ought to be given to the possibilities to establish complementary industries in the developing and developed countries and also in different developing countries. The participants held that United Nations assistance could be particularly useful in this field, and that studies should be undertaken to indicate the areas in which such opportunities for international co-operation might exist. Such research information should be made generally available and the United Nations should undertake such work on its own initiative.

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18. With regard to joint ventures, it was pointed out that developing countries are, in practice, often faced with the necessity of entering into partnerships on highly unequal terms, partly as a result of inadequate information and partly as the consequence of the unequal economic strength of the partners. The United Nations should assist the developing countries by providing more information and advice in the formation and operation of such partnerships.

19. It was further pointed out that potential exporters in the developing countries are generally subject to a variety of structural disabilities, which prevent them from entering foreign markets, even where external obstacles to trade are not important. These weaknesses are largely a result of their inexperience, their small operational size, and their predominantly domestic-orientated approach. The United Nations could provide important assistance to overcome many of these difficulties. Among the different areas suggested, mention was made of training domestic personnel in the necessary techniques, provision of experts for the solution of specific problems, help in the establishment of export companies specializing in particular areas and product. Discussion centered on the advantages of procedures organizing themselves together for export through such institutions and arrangements as exporters' associations, Chambers of Commerce, producers' agreements for pooling production facilities to accommodate large export orders, co-ordination of marketing efforts, the umpiring of quality control, etc., and in so doing to achieve collectively what is not possible individually. Technical assistance to form such institutions or arrangements on a national or regional basis should be provided upon request.

20. Specific technical know-how is sometimes obtainable in conjunction with the purchase of the equipment. Often, the considerable expense of technical services is, however, included in the purchase price of the equipment, and therefore their actual cost cannot easily be determined. It was considered that the United Nations should carry out research on the real cost of such services, as well as on the similar problem of the real cost of tied loans, and should also explore the possibilities of reducing the cost of such services and provide advice in this area - possibly in collaboration with financial institutions engaged in investment in developing countries.

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21. The need was stressed for the more effective dissemination of information on facilities available for training in all fields. It was recommended that these facilities should be augmented through the creation of new training programmes and through enlisting more fully the co-operation of public institutions and industries in the advanced countries providing fellowships and in particular, opportunities for on-the-job training.

22. The group discussed the problems of quality control and packaging, and emphasized the need for action both at the governmental and at the industry level. United Nations assistance should be applied at both levels for the purpose of establishing proper and viable procedures of pre-shipment inspection and control, and for the purpose of establishing methods of in-plant quality control. It was generally agreed that the shortcomings in respect of quality were such as to call for great effort and assistance to attain the highest level of quality demanded in international trade, even allowing for the acceptability of somewhat less than best standards in certain markets. Some participants emphasized the importance of action and technical assistance in this area since in practice, while successful exportation required a high degree of concentration in distribution, this was not necessarily true of production. In many cases, it was held that the establishment of export companies, which would place orders with producers according to their own specifications, could be an effective means to ensure the fulfilment of the requirements of the export market. In this area there was therefore a wide field for United Nations technical assistance, both with respect to the organization of such export companies, and with respect to the training of national personnel required for them.

23. There was an urgent need for the training of professional export managers, particularly since the small scale and the almost exclusively domestic orientation of existing producers prevents them from establishing their own export departments which would provide personnel sufficiently versed in foreign trade transactions. It would, therefore, be necessary to train a cadre of such export managers whose services would be made available to individual producers on a hireable basis.

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24. With regard to export promotion measures and procedures, the group agreed that United Nations technical assistance could do much to bring about a simplification of existing procedures in a variety of fields, by making available knowledge about the methods adopted and found efficacious, not only by developed countries but also by the more advanced among the developing countries, and through the provision of experts and the arrangement of seminars in particular fields.

25. One of the ways in which the United Nations could render valuable assistance to the developing countries might be through the arrangement of meetings between the developing and the developed countries in order to discuss problems of fiscal policies in the field of direct and indirect taxation, with a view to aiding the export industries of the developing countries. The developing countries could further be aided substantially through the provision of information in the field of fiscal policies and usages, and in their revision. The forms in which technical assistance could be applied to this area range from research and seminars to the convening of such meetings.

26. With regard to the forms in which the United Nations technical assistance should be rendered, the group expressed the view that, while the adherence to well-defined procedures was understandable and indispensable, the United Nations should endeavour to adopt the greatest permissible degree of flexibility in this new area. In this connexion great emphasis was placed upon the need for adequate institutional arrangements, including co-operation with trade and industrial organizations, where appropriate. The United Nations, and the Governments concerned, should enlist the co-operation and participation of appropriate non-governmental institutions, such as Chambers of Commerce and Industry and development banks.

27. The group expressed the opinion that, in addition to training government officials in this field, attention should be paid to the training of persons and to giving assistance to organizations actually engaged in export activities.

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28. It was pointed out that in the recruitment of experts it was similarly necessary to turn in large measure to personnel employed in industry and commerce. This could result in higher than usual costs of such expert services. Also, the release of personnel for service as international experts was often meeting with difficulties, since there were inadequate institutional arrangements for their release in most countries. This was particularly important in the case of the experts from the more advanced among the developing countries, which suffered, on the one hand, from shortages of skilled personnel and were thus reluctant to release them for service abroad. Their assistance was, on the other hand, especially valuable for other developing countries because of the similarity of problems and the experience gained in tackling such problems. The group suggested that the United Nations might strengthen the institutional arrangements for the flow of such services.

29. A further area in which there was a serious gap in the available information related to the trade agreements and other forms of co-operation in industry and trade, among developing countries themselves, and particularly in relations with more developed countries. The United Nations should therefore collect, analyze and disseminate information of this kind and should furthermore provide training facilities for senior personnel engaged in these fields.

30. Turning to a discussion of the problem of market information, which the developing countries greatly need, and in which they have a limited ability to develop adequate information channels of their own, the group was of the view that the United Nations should make a major effort to assist the developing countries to establish such facilities at the national level, and should itself also provide general information services.

31. The group felt that in relation to the export effort of the developing countries, it was of major importance that basic information should be available on the various matters which are relevant to exports of manufactures and semi-manufactures. It was recognized that in these fields the effort has primarily to be generated and strengthened at the national level, and to this effect there is need to provide technical

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assistance from the United Nations. It was felt that there was need for supplementing the national effort in this field, and that UNCTAD and CID could usefully establish a central training, consultancy, and information service for exports, which could be supplemented by the establishment of regional and sub-regional centres where necessary. There was general agreement that such a service was indeed a major need and it was considered that a proposal embodying these objectives should be worked out as a matter of urgency. A start could be made by setting up a consultancy and training service for developing the personnel and to help businessmen in developing countries to build up their export marketing organizations, and to assist Governments and trade associations in their export promotion activities.

32. In concluding its detailed discussion of the various areas to which technical assistance should be applied in order to help in the promotion of exports and the development of new export industries, the group adopted the following list enumerating necessary areas of action as suggested by one of the participants and further elaborated in the discussion. The various forms of assistance relating to those areas are indicated in the table reproduced as Annex 5.

Specific areas for possible United Nations technical assistance

I. PRODUCTION:

- Identification of products
- Machinery and equipment
- Design of products
- Raw materials - indigenous and imported
- Technical know-how - joint collaborations
- Managerial know-how - productivity, joint collaborations
- Manufacture of components and parts on sub-contracts
- Processing of primary commodities
- Investment programmes for development of export industries
- Fuller utilization of existing capacity
- Surpluses for export

II. EXPORT CREDIT AND INSURANCE:

- Pre-shipment and post-shipment credit
- Availability of cheap credit
- Credit facilities for exports

/III. QUALITY

III. QUALITY

In-plant quality control
Pre-shipment quality inspection

IV. PACKAGING:

Packaging for consumer appeal
Packaging for safe transit

V. EXPORT ASSISTANCE:

Incentives - fiscal and non-fiscal
Income tax relief
Drawbacks
Import entitlements
Transport assistance
Other facilities and assistance for sending trade delegations,
study teams, inviting importers, participation in trade fairs
and exhibitions etc.

VI. PRICES:

Cost reduction programmes and productivity
Incentives - subsidies
Pricing policies

VII. EXPORT INFORMATION:

Information on market opportunities
Export specifications (designs, packaging, etc.)
Tariffs
Freights
Shipping services
Tenders issued by governments
Publications - commercial publicity
Information on technical know-how
Bonded production

VIII. MARKETING EFFORT:

Development of export management personnel and commercial
representatives
Training and commercial education within the country and training
abroad
Training in foreign languages
Overseas market surveys
Utilization of market surveys of other countries
Export publicity
Exhibitions, trade fairs and special weeks
Appointment of agents
After-sale service
Warehousing services
Export marketing groups
Settlement of disputes

/IX. TRANSPORT

IX. TRANSPORT AND SHIPPING:

- Deficiencies in shipping
- Problems of freights
- Problems of ports

X. GOVERNMENT POLICIES:

- Industrial development policies
- General export promotion
- Import substitution policies
- Import and export control policies
- Consciousness of exports
- Development of institutions
- Trade agreements
- Simplification of documents

33. The group was of the opinion that all forms of technical assistance would have to be applied and used, and would have to be adapted to the specific problems calling for solution. There were, however, two forms of assistance which should be given special attention and emphasis. The first of these was an increased use of exploratory missions or study groups, the purpose of which would be to advise the Governments in the initial formulation of their export development programmes, and which would prepare the ground for the dispatch of teams of specialized experts or for the provision of other types of specific assistance.

34. The second form of assistance which, in the opinion of the group, would have to be given greater emphasis, was in the establishment of institutional facilities on a functional or geographical basis. These were the instruments through which continuity of action in many fields would be ensured. Such institutions might be established on a national, regional and sub-regional basis, according to need, and they should be designed to fulfil well-defined functions, and answer concrete needs. In this effort, use should be made of the services, experience, and cooperation of the regional economic commissions.

35. The emphasis given by the group of these two forms of technical assistance reflected the need for a proper initial definition of the particular problems in this new field, and for providing instruments through which continuity of effort could be ensured, together with the stimulation of individual initiative and cooperation. The problem of exports required action at the level of the individual firm, the industry as a whole, as

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well as at the level of Government, and this need, as well as the needs for training and information discussed earlier, all pointed to a much greater emphasis on institution-building than before.

36. In addition to the direct technical assistance, the group strongly urged that the UNCTAD and CID should increase their general supporting activities, for which a number of specific suggestions had already been made during the general discussion. Activities of this kind, such as general surveys and analyses of trade and industry, study missions, and expert groups, could usefully supplement requests for direct assistance from Governments and should be undertaken on the initiative of the two organizations. The group pointed out that while with respect to the more traditional economic problems technical assistance had been able to base itself upon a considerable body of knowledge accumulated over time through research and experience, this was not the case in the field of development and promotion of exports of manufactures and semi-manufactures. The two organizations should be able to provide the needed analyses and empirical information.

37. Particular attention should be given in programmes of technical assistance to the special needs of those developing countries which depend on the further processing of their primary commodities for the diversification of their economic structure and their foreign trade. Such countries often meet with special difficulties in their industrialization efforts, both from the point of view of accessibility of the requisite technical and commercial know-how and from the point of view of their ability to enter into new markets. In view of the dependence of much of their industrialization efforts on their success in exports, the group was of the view that technical assistance should deal with this problem in an integrated manner, taking into account the various interrelated aspects of this problem.

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38. In concluding its deliberations, the group pointed out that, although it had addressed itself only to the question of exports of manufactures and semi-manufactures, there was a number of countries for which expansion of exports of primary commodities was of great importance as the means of improving their balance of payments and for their development efforts. The group considered that there was in reality no clear distinction between the problems of exports of primary commodities and of manufactures, and that many of the questions discussed in the meeting were common to both. The group also pointed out that those countries which were primarily dependent upon exports of primary products represented a special problem and would have to be given technical assistance along similar lines.

Annex 1

List of Participants

- Mr. N.A. COX-GEORGE, Head, Trade, Fiscal and Monetary Division, U.N.
Economic Commission for Africa
- Mr. Israel GAL-EDD, Director-General, Ministry of Development of Israel
- Mr. Heinrich O. HILBERT, Head of the Foreign Trade Branch of the Senator
of Economics and Foreign Trade, Bremen, U.N. Technical Assistance
Adviser to the Government of the Philippines
- Mr. Charles F. KNOX (Jr.), U.S. Consultant on Trade Development
- Mr. J.H. MENSAH, Head, Division of Economic Co-operation, U.N. Economic
Commission for Africa
- Mr. Carlos QUINTANA, Manager, Industrial Programming Division, Nacional
Financiera, Mexico
- Mr. Mohamed Ali RIFAAT, Member of the Board of the Federation of Egyptian
Industries
- Mr. Leon RIP, State Councillor, Federal Executive Council of Yugoslavia,
Adviser to the Ethiopian Government on Planning Problems
- Mr. H.D. SHOURIE, Director-General of the Indian Institute of Foreign Trade
- Mr. Lange STETTING, Professor, Copenhagen School of Economics and Business
Administration, Director of the U.N. Group Training Programme in
Trade Promotion to be held in Denmark in 1967
- Representative of the Secretary-General of UNCTAD: Mr. S. VOHRA, Director,
Manufactures Division
- Representative of the Commissioner for Industrial Development:
Mr. Samuel LURIE, Inter-Regional Economic Adviser
- Representative of the United Nations Development Programme:
Mr. R. COOMA-RASWAMY, Assistant Administrator of the UNDP and
Director of the Bureau of Evaluation and Reports
- Secretary: Mr. Robert MULLER, Special Adviser on Technical Assistance
Co-ordination, Office of the Secretary-General of UNCTAD
- Rapporteur: Mr. M. MERHAV, Chief of the Export Industries Section, Centre
for Industrial Development
- Mr. H. CORNIL, Development of Trade Division, Economic Commission for
Europe

/Annex 2

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Annex 2

AGENDA

1. What are the most important and most urgent needs and problems of the developing countries as regards exports of manufactures and semi-manufactures?
2. How can these needs be met?
3. What would be the best ways of using United Nations technical assistance?
4. What other action could be taken by the Secretariat (information, studies, expert meetings, etc.) to support the technical assistance efforts?

/Annex 3

Annex 3

STATEMENT MADE BY MR. S. VOHRA ON BEHALF OF THE
SECRETARY-GENERAL OF UNCTAD

The Secretary-General of UNCTAD, Dr. Prebisch, has asked me to extend to you his warmest welcome to this joint consultation with the Centre for Industrial Development. He has asked me to reiterate the importance he attaches to this consultation, which should allow United Nations technical assistance to support most effectively the efforts of the developing countries in promoting their trade and increasing their foreign exchange earnings.

The new goals set for the institutional system of the United Nations at the first UNCTAD Conference in the broad areas of trade, financing and development must be complemented by the active support of the technical assistance and pre-investment programmes. It is no doubt of importance to reduce or eliminate tariffs on products of interest to developing countries, and to accord, if possible, preferential treatment to the semi-manufactured or manufactured goods of the developing countries. Such measures, though of primary importance, will not of necessity bring about a greater flow of exports to the developed economies unless accompanied by other positive measures. The elasticity of demand for primary products is generally not high, and exports of semi-manufactured and manufactured products by the developing countries are faced with immense difficulties in penetrating the industrialized markets, even if the tariff obstacles are removed: products must be available in large quantities and supplied on a sustained regular basis; they must be standardized, of high and uniform quality and adapted to the consumer's taste or to the requirements of the industrial buyer; their effective selling must be preceded or accompanied by the utilization of a broad range of marketing devices, which are often very costly.

Whatever the difficulties may be, the first UN Conference on Trade and Development, in several recommendations, has called for the active enlistment and support of the technical assistance and pre-investment programmes of the United Nations in order to help overcome these obstacles

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wherever possible. This is particularly the case with the recommendations on general export promotion measures, on measures and action for the promotion of trade in manufactures and semi-manufactures, and on measures for the promotion of invisible receipts. A broad range of action has therefore been requested by the Conference towards the development of the foreign exchange earnings of the developing countries. At the fourth session of the Trade and Development Board held a few weeks ago a resolution was also unanimously adopted on technical assistance in trade and related fields which stresses the role UNCTAD is to play in this field.

The realization of the need and scope for such action was expressed in most vivid terms by Mr. Paul Hoffman, the Administrator of the United Nations Development Programme, at a recent session of the Governing Council in Milan. He proposed increased efforts, particularly in the development of marketing services and trade expansion, and he declared his Programme's readiness to be actively associated with UNCTAD in its endeavour to improve the trading position of the developing countries.

Concerning marketing services, the FAO has already been performing for quite some time a very valuable task in the field of agricultural products, both under the technical assistance and the Special Fund programmes. The moment has come when necessary programmes must be developed for industrial products. It is in order to develop a plan of action in this field that Dr. Prebisch and Dr. Abdel-Rahman invited you to this consultation. The two organizations wished to chart their course with the advice of experts thoroughly familiar with the industrialization and trade promotion problems of the developing countries.

The questions put before you on the agenda are quite simple and yet basic. The most important one is: "What would be the best ways of using United Nations technical assistance for the promotion of exports of manufactures and semi-manufactures from the developing countries?" Dr. Prebisch is convinced that the particular features of multilateral assistance can come to their best advantage in this field, and be a valuable complement to the bilateral efforts already deployed. Indeed, export promotion devices and machinery are so costly and cover such wide areas that they would seem to lend themselves particularly to regional action

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or to joint action between Governments which are producing similar products or are too small to embark upon their own promotion programmes. Multilateral assistance can also provide exchanges of experience and techniques developed in the particular circumstances of the developing countries themselves. Your meeting may provide an opportunity for a valuable discussion of such possibilities. The time may also have come when export promotion training might be provided on an increasing scale in the regions themselves or in developing countries which have been particularly successful in launching export campaigns abroad and in establishing often with UN assistance, ancillary services such as adequate export credit insurance systems.

May I conclude these brief remarks by saying that, with the creation of UNCTAD and the United Nations Industrial Development Organization, an immense step ahead has been made in perfecting the institutional system at the disposal of the international community. United Nations efforts encompass the whole range of development activities. Due to the early creation and thorough experience and knowledge of the regional economic commissions, supplemented later by the regional development banks, the United Nations possesses an integrated institutional system under which needs are properly assessed and possibilities for action and new devices for the international transfer of technologies and knowledge can make further substantial progress.

The regional economic commissions for Latin America and Asia and the Far East were unfortunately unable to send staff members to this meeting, but they have emphasized the value they attach to your work and to the conclusions which will emerge from this consultation. We are very pleased that the regional economic commission for Africa has been able to send two representatives to the meeting. The importance of this consultation is also underlined by the presence of Mr. Cooma-Raswany, Assistant Administrator of the UNDP. To all of you, Dr. Prebisch has asked me to express his sincere appreciation for your readiness to participate in the discussions, and I would like to add my own gratitude for your presence here.

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Annex 4

Statement by Mr. S. Lurie on behalf of the Commissioner
for Industrial Development

The Commissioner for Industrial Development, Dr. Abdel-Rahman, would have greatly appreciated the opportunity of addressing you at this opening session, but he is unfortunately unable to attend the meeting being tied up in New York at the current session of the United Nations General Assembly. He asked me to extend to you a cordial welcome. He is confident that your deliberations and the results of this meeting will contribute greatly towards the effective planning of the work of the United Nations in assisting developing countries to promote their exports of industrial goods.

It is hardly necessary to tell you that the Centre for Industrial Development and the United Nations Industrial Development Organization, its successor body which is now in the process of being established by the General Assembly is vitally interested in the problem of exports of manufactured goods by the developing countries. Promotion of exports through establishment of export industries and strengthening of the export potential of the existing industries is one of the major elements of the programme of activities of these bodies, as approved by numerous resolutions of the Economic and Social Council and its parent body the Committee for Industrial Development and the ad hoc Committee for the establishment of UNIDO.

There are many reasons why it is now generally considered that exports of manufactured goods are bound to play a vital part in the process of industrialization in developing countries. There is, first, the need for diversification of their exports. Too many of these countries are at the present time largely dependent for their export earnings on a limited number of primary raw materials, which makes the economies of these countries highly vulnerable to the well-known fluctuations in demand in the industrialized countries for this type of goods, with the consequent harmful effects upon their exchange and balance of payments position. By developing new and diversified branches of exports in the area of manufactured goods, the export position of the developing countries would be considerably strengthened.

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In the second place, the development of export industries is opening up a new dimension in the process of industrial development in the developing countries. So far, for obvious reasons, industrialization of the developing countries has been based largely on production of goods which represented a substitution of foreign imports. As the process of industrialization continues it has been the experience of many countries that further expansion of their industry is becoming increasingly handicapped by the wellknown limitations of their domestic markets. A closely related factor is the wellknown effect on industrial costs and productivity of economies of scale, as a result of which in many countries industries based on the domestic markets only often work under anti-economic conditions of below optimum capacity. The development of export outlets would make possible more economic operation of the existing industries and the establishment of new economically viable industrial branches.

Thirdly, in many of the developing countries that possess large resources of industrial raw materials these are either unused or exported in crude state; such is the case of mineral ores, oil and natural gas; animal and products of vegetable origin, oil seeds, vegetable fibres, timber, hides etc. The commercialization of such raw materials on the spot by industrial processing would increase substantially the export proceeds of the countries by the value added in domestic processing, and open up vast new areas of industrial development. A good example of such possibilities is offered by fertilizer and petrochemical industries on the basis of domestic resources of oil and natural gas; domestic processing of ferrous and non-ferrous ores and establishment of metal fabricating plants for exports of intermediate metal products.

Finally, it is considered that the establishment of export industries would play a highly dynamic role in the process of industrialization of the developing countries. So far in most countries industrial development has been based on substitution of relatively simple types of industrial products and little progress made in developing more sophisticated branches of industrial production, in particular production of industrial intermediates. The reason for this development is that the establishment of latter types of industries was not always justified by the size of the internal markets,

/while the

while the opening up of export outlets would justify a more complex industrial structure in countries that otherwise offer the pre-requisites for their successful operation.

While exports of industrial goods represent a vital element and to some extent, an inevitable stage in the process of industrialization of the developing countries, the problem is beset with considerable difficulties mainly due to the fact that most of these countries have little or no experience in that area. This is a vast and multi-dimensional problem involving not only political, technological and economic but also commercial, financial, marketing and promotion aspects. In particular, the countries generally lack the entire complex of the required supporting facilities; they lack the experience, skills and institutions which exist in the developed countries as a result of the historical advance which the latter have in the export field. In addition to its work in the fields of international cooperation is the field of trade policies, economics and finance, the United Nations considers as one of its major tasks provision of technical assistance in the establishment and strengthening of the entire network of export supporting and promotion facilities.

It is with these considerations in mind that the heads of the two interested organizations, UNCTAD and CID decided to convene this meeting to help them in the planning and design of their technical assistance activities in promoting industrial exports. As regards, in particular, the latter body, its forthcoming transformation into UNIDO (United Nations Industrial Development Organization) which is now under consideration by the General Assembly, will enable it to engage in an action of a larger scope in this as in the other fields relating to promotion of industrial development.

The area of action is rather vast and involves an effort in a number of fields. It will be up to you to define the fields calling for most urgent assistance, to help us with the definition of the various forms which such assistance should take and of the means of its implementation.

Again, on behalf of the Commissioner for Industrial Development, I wish successful accomplishment of the tasks which are before you.

Annex 5

PROGRAMME		ASSISTANCE REQUIRED						CLASSIFICATION OF ASSISTANCE			NATIONAL/REGIONAL/INTERNATIONAL		
Heading	Item	Experts EX	Fellow -ships FE	Equip -ment EQ	Sem- inars Confer- -ences SE	UN ini- -tiative UN	Insti- -tutional Develop- -ment IN	Govern- -ment I	Indus- -try II	Govern- -ment and in- -dustry III	Nation- -al A	Regional and sub- -regional B	Inter- -national C
<u>PRODUCTION</u>													
1.	Identification of products	EX	-	-	-	UN	-	I	II	-	A	B	-
2.	Machinery and equipment	EX	-	-	-	-	-	I	-	-	A	-	-
3.	Design of products	EX	FE	-	-	-	IN	I	II	-	A	-	-
4.	Raw materials - indigenous and imported	EX	-	-	-	-	-	I	II	-	A	-	-
5.	Technical know-how; joint collaborations	EX	FE	-	-	UN	IN	I	II	-	A	-	-
6.	Managerial know-how - productivity, joint collaborations	EX	FE	-	-	UN	IN	I	II	-	A	-	-
7.	Manufacture of components and parts on sub-contracts	EX	-	-	-	UN	-	-	-	III	A	B	C
8.	Processing of primary commodities	EX	-	-	-	UN	-	-	-	III	A	B	-
9.	Investment programmes for development of export industries	EX	-	-	-	UN	-	I	II	-	A	-	-
10.	Fuller utilization of existing capacity	EX	-	-	-	UN	-	I	II	-	A	-	-
11.	Surpluses for export	-	-	-	SE	-	-	I	II	-	A	-	-
<u>EXPORT CREDIT AND INSURANCE</u>													
1.	Pre-shipment and post-shipment credit	EX	FE	-	-	UN	IN	I	II	-	A	B	-
2.	Availability of cheap credit	-	-	-	SE	-	IN	I	II	-	A	B	-
3.	Credit facilities for export	-	-	-	-	-	IN	I	II	-	A	B	-
<u>QUALITY</u>													
1.	In-plant quality control	EX	FE	EQ	SE	-	IN	-	-	III	A	B	-
2.	Pre-shipment quality inspection	EX	FE	EQ	-	-	IN	-	-	III	A	B	-
<u>PACKAGING</u>													
1.	Packaging for consumer appeal	EX	FE	EQ	SE	-	IN	-	-	III	A	B	C
2.	Packing for safe transit	EX	FE	EQ	SE	-	IN	-	-	III	A	B	-

Heading	Item	Experts EX	Fellow ships FE	Equip ment EQ	Sem- inars Confer- ences SE	Un ini- tiative UN	Insti- tutional Develop- ment IN	Govern- ment I	Indus- try II	Govern- ment and in- dustry III	Nation- al A	Regional and sub- regional B	Inter- nation- al C
<u>EXPORT ASSISTANCE</u>													
1.	Incentives - fiscal and non-fiscal)												
2.	Income-tax relief)												
3.	Drawbacks)	EX	-	-	-	UN	-	I	-	-	A	-	-
4.	Import entitlements)												
5.	Transport assistance)												
6.	Other facilities and assistance for sending trade delegations, study teams, inviting importers, participation in trade fairs and exhibitions, etc.	EX	-	-	-	UN	-	I	II	-	A	-	-
<u>PRICES</u>													
1.	Cost reduction programmes and productivity	EX	FE	-	SE	UN	-	I	II	III	A	B	-
2.	Incentives - subsidies	EX	-	-	-	UN	-	I	II	-	A	-	-
3.	Pricing policies	EX	-	-	-	UN	-	-	-	III	A	B	C
<u>EXPORT INFORMATION</u>													
1.	Information on market opportunities	EX	FE	EQ	-	UN	IN	I	II	-	A	B	C
2.	Export specifications (designs, packaging etc.))												
3.	Tariffs)	EX	FE	EQ	-	UN	IN	I	II	-	A	B	C
4.	Freights)												
5.	Shipping services)												
6.	Tenders issued by governments)												
7.	Publications - commercial publicity	EX	FE	EQ	-	-	-	-	-	III	A	-	-
8.	Information on technical know-how	EX	-	-	-	UN	-	I	II	-	A	B	C
9.	Bonded production	EX	-	-	-	UN	-	I	-	-	A	-	-

Heading	Item	EX	FE	EQ	SE	UN	IN	I	II	III	A	B	C
<u>MARKETING EFFORT</u>													
1.	Development of export management and commercial representatives personnel	EX	-	EQ	SE	UN	IN	I	II	-	A	B	C
2.	Training in commercial education within the country and training abroad	EX	FE	EQ	SE	UN	IN	I	II	-	A	B	C
3.	Training in foreign languages	EX	-	EQ	-	UN	IN	I	II	-	A	B	C
4.	Overseas market surveys	EX	FE	-	-	UN	-	I	II	-	A	B	C
5.	Utilization of market surveys of other countries	-	-	EQ	-	-	-	I	II	-	A	B	C
6.	Export publicity	EX	FE	-	-	UN	IN	I	II	III	A	B	-
7.	Exhibitions, trade fairs and special weeks	EX	FE	-	-	UN	IN	I	II	III	A	B	C
8.	Appointment of agents	EX	-	-	-	UN	-	I	II	III	A	B	-
9.	After-sale service	EX	-	-	-	UN	-	I	II	-	A	B	-
10.	Warehousing services	-	-	-	-	UN	-	I	II	-	A	B	-
11.	Export marketing groups	EX	-	-	SE	-	-	I	II	-	A	B	-
12.	Settlement of disputes	EX	-	-	SE	-	IN	I	II	-	A	B	-
<u>TRANSPORT AND SHIPPING</u>													
1.	Deficiencies in shipping	EX	-	-	-	-	-	I	II	-	A	B	C
2.	Problems of freights	EX	-	-	-	-	IN	I	II	-	A	B	C
3.	Problems of ports	EX	-	EQ	-	-	-	I	II	-	A	B	C
<u>GOVERNMENT POLICIES</u>													
1.	Industrial development policies	EX	-	-	-	UN	-	I	-	-	A	-	-
2.	General export promotion	EX	FE	-	SE	UN	IN	I	II	III	A	B	C
3.	Import substitution policies	EX	-	-	SE	UN	-	I	-	-	A	-	-
4.	Import and export control policies	EX	-	-	-	UN	IN	I	-	-	A	-	-
5.	Consciousness of exports	EX	-	-	SE	UN	-	I	II	-	A	-	-
6.	Development of institutions	EX	-	-	-	UN	IN	I	II	-	A	B	C
7.	Trade agreements	EX	-	-	-	UN	-	I	-	-	A	-	-
8.	Simplification of documents	EX	-	-	-	UN	-	I	II	-	A	B	C